

**Rule 2202 - On-Road Motor Vehicle Mitigation Options
Air Quality Investment Program
REQUEST FOR PROPOSALS (RFP)**

#9596-23

The South Coast Air Quality Management District (AQMD) requests proposals for the following purpose according to terms and conditions attached. In the preparation of this Request for Proposals (RFP) the words "Proposer," "Contractor," and "Consultant" are used interchangeably.

PURPOSE

The AQMD is seeking proposals for the Air Quality Investment Program (AQIP) established in Rule 2202 - On-Road Motor Vehicle Mitigation Options. Proposals for using moneys from the restricted fund will be accepted by the AQMD on an ongoing basis and will be considered for evaluation in the immediate next quarter. Proposals may be reconsidered during the next quarter by submitting a written request prior to the submission deadline. Contracts will be awarded on a quarterly basis. Only the most cost-effective proposals that achieve reduction of mobile source emissions to a level equivalent or better than that achieved under Rule 2202 will be considered. Proposals should demonstrate that emission reductions are real, surplus, and quantifiable, and contain appropriate methodologies.

Multiple awards may be granted under this RFP, subject to the approval of the AQMD's Governing Board. Total funding for this RFP will be the total amount of funds available in the AQIP at the time of issuance of the contracts. Due to the indefinite nature of the work, the actual contract amount cannot be precisely determined at this time.

Rule 2202 allows for the use of emissions reduction programs to comply with the performance standards. One of the compliance alternatives available to employers is the AQIP. Monies from this restricted fund will be used to fund emission reduction programs that achieve equivalent emission reductions with Rule 2202.

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The following are contained in this RFP:

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

RFP FOR AIR QUALITY INVESTMENT PROGRAM

SECTION I: INTRODUCTION/BACKGROUND

In December 1995, The South Coast Air Quality Management District (AQMD) Governing Board adopted Rule 2202 - On-Road Motor Vehicle Mitigation Options. Rule 2202 represents a significant departure from the trip reduction strategies previously available to affected employers. Rule 2202 Air Quality Investment Program, allows employers with 250 or more employees to participate in an air quality investment program. An employer may elect to participate in the program by investing annually \$60 per employee or triennially \$125 per employee into a AQMD administered restricted fund. Monies collected from the restricted fund will be used by the AQMD to fund proposals that reduce mobile source emissions. Emission reduction proposals may include but are not limited to old-vehicle scrapping, clean on-road vehicles, clean off-road vehicles, remote sensing, other mobile source emission credits (MSERC), and emission reduction credits (ERC) from stationary sources.

SCHEDULE OF EVENTS

Deadline for Bidders request for clarification	Bidders Conference	Proposals Due Date (No later than 5:00 p.m.)	Board Approval
March 28, 2002	March 28, 2002	May 3, 2002	August 2002
June 27, 2002	June 27, 2002	August 2, 2002	November 2002
September 26, 2002	September 26, 2002	Nov 1, 2002	February 2003
December 12, 2002	December 12, 2002	January 31, 2003	May 2003
Amount of funding available will be announced at the Bidders Conferences and will also be posted on the AQMD web site at www.aqmd.gov.			
The Bidders Conferences will be held in Room CC2 at the AQMD Headquarters, 9 AM to 11:30 AM			

Note: This is an open process and bids are awarded every quarter.

STATEMENT OF COMPLIANCE

Government Code Section 12990 and California Administrative Code, Title II, Division 4, Chapter 5, require employers to agree not to unlawfully discriminate against any employee or applicant because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, sex, or age. A statement of compliance with this clause is included in all AQMD contracts.

CONTACT PERSON:

Questions regarding the content or intent of this RFP or on procedural matters should be addressed to:

Fred Minassian
Technology Implementation Manager
South Coast Air Quality Management District
21865 East Copley Drive, Diamond Bar, CA 91765
(909) 396-2641

AQMD OBJECTIVE:

The objective is to utilize revenues collected in the AQIP to fund alternative mobile source emission/trip reduction strategies that are potentially more effective and could result in greater overall emissions reductions. Some of the programs that could be considered to receive funding may include the procurement of low or zero emission vehicles; implementation of remote sensing; old vehicle scrapping; the creation or improvement of localized demand responsive, mobility enhancing services, such as shuttle services; telecommuting centers and others. Additionally, ERCs generated pursuant to Regulation XIII may be utilized. The AQMD will consider, to the greatest extent feasible, the funding of proposals that reduce mobile source emissions or trips in each county, in proportion to the contribution level of employers of each county to the AQIP.

SECTION II: PARTICIPATION IN THE PROCUREMENT PROCESS

A. It is the policy of the South Coast Air Quality Management District to ensure that all businesses including minority business enterprises, women business enterprises, disabled veteran business enterprises, and small businesses have a fair and equitable opportunity to compete for and participate in District contracts.

B. Definitions:

The definition of minority or women business enterprise set forth below is included for purposes of determining compliance with the affirmative steps requirement described in Paragraph F below on procurements funded in whole or in part with EPA grant funds which involve the use of subcontractors. The definition provided for disabled veteran business enterprise and local business are provided for purposes of determining eligibility for point or cost considerations in the evaluation process.

1. "Minority-or-women business enterprise" as used in this policy means a business enterprise that meets all the following criteria:
 - a. a business that is at least 51 percent owned by one or more minority persons or women, or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more minority persons or women.
 - b. a business whose management and daily business operations are controlled by one or more minority persons or women.

- c. a business which is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
- 2. "Minority person" for purposes of this policy, means a Black American, Hispanic American, Native American (including American Indian, Eskimo, Aleut, and Native Hawaiian), Asian-Indian American (including a person whose origins are from India, Pakistan, and Bangladesh), Asian-Pacific American (including a person whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, and Taiwan).
- 3. "Disabled veteran" as used in this policy is a United States military, naval, or air service veteran with at least 10 percent service-connected disability who is a resident of California.
- 4. "Disabled veteran business enterprise" as used in this policy means a business enterprise that meets all of the following criteria:
 - a. is a sole proprietorship or partnership of which is at least 51 percent owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51 percent of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans.
 - b. the management and control of the daily business operations are by one or more disabled veterans. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business.
 - c. is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other foreign-based business.
- 5. "Local business" as used in the Procurement Policy and Procedure means a company that has an on-going business within the boundaries of the South Coast AQMD at the time of bid application and performs 90% of the work related to the contract within the boundaries of the AQMD and satisfies the requirements of Paragraph H below.
- 6. "Small business" as used in this policy means a business that meets the following criteria:
 - a. 1) an independently owned and operated business; 2) not dominant in its field of operation; 3) together with affiliates is either:

- A service, construction, or non-manufacturer with 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or
- A manufacturer with 100 or fewer employees.

b. Manufacturer means a business that is both of the following:

- 1) Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
- 2) Classified between Codes 2000 to 3999, inclusive, of the Standard Industrial Classification (SIC) Manual published by the United States Office of Management and Budget, 1987 edition.

7. "Joint ventures" as defined in this policy pertaining to certification means that one party to the joint venture is a DVBE and owns at least 51 percent of the joint venture.

C. Under Request for Quotations, DVBEs, DVBE joint ventures, small businesses, and small business joint ventures shall be granted a preference in an amount equal to 5% of the lowest cost responsive bid. Local businesses (if the procurement is not funded in whole or in part by EPA grant funds) shall be granted a preference in an amount equal to 2% of the lowest cost responsive bid.

D. Under Request for Proposals, DVBEs, DVBE joint ventures, small businesses, and small business joint ventures shall be awarded ten (10) points in the evaluation process. A non-DVBE or large business shall receive seven (7) points for subcontracting at least twenty-five (25%) of the total contract value to a DVBE. On procurements which are not funded in whole or in part by EPA grant funds local businesses shall receive five (5) points.

E. AQMD will ensure that discrimination in the award and performance of contracts does not occur on the basis of race, color, sex, national origin, marital status, sexual preference, creed, ancestry, medical condition, or retaliation for having filed a discrimination complaint in the performance of AQMD contractual obligations.

F When contracts are funded in whole or in part by EPA grant funds and if subcontracts are to be let, the Contractor must comply with the following, evidencing a good faith effort to solicit minority and women owned enterprises. Contractor shall submit a certification signed by an authorized official affirming compliance with the steps below at the time of proposal submission. The AQMD reserves the right to request documentation demonstrating compliance with these steps prior to contract execution.

1. Place qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Assure that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources including advertising at least ten days in advance of the bid in a variety of media directed to minority-and women-owned business audiences;

3. Divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
 4. Establish delivery schedules, where requirements permit, which encourage participation by small and minority business, and women's business enterprises; and
 5. Use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
- G. To the extent that any conflict exists between this policy and any requirements imposed by federal and state law relating to participation in a contract by a certified MBE/WBE/DVBE as a condition of receipt of federal or state funds, the federal or state requirements shall prevail.
- H. When contracts are not funded in whole or in part by EPA grant funds, a local business preference will be awarded. For such contracts that involve the purchase of commercial off-the-shelf products, local business preference will be given to suppliers or distributors of commercial off-the-shelf products who maintain an on-going business within the geographical boundaries of the AQMD. However, if the subject matter of the RFP or RFQ calls for the fabrication or manufacture of custom products, only companies performing 90% of the manufacturing or fabrication effort within the geographical boundaries of the AQMD shall be entitled to the local business preference.
- I. In compliance with federal fair share requirements set forth in 40 CFR 35.6580, the AQMD shall establish a fair share goal annually for expenditures covered by its procurement policy.

SECTION III: WORK STATEMENT/SCHEDULE OF DELIVERABLES

A. Work Statement

The scope of work involves a series of tasks and deliverables, defined by the proposal, that demonstrate compliance with the requirements of the Air Quality Investment Program contained in Rule 2202. At a minimum any request for funding must demonstrate that the proposed project method will result in emissions reductions that:

- are real, quantifiable, enforceable and surplus in accordance to Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines;
- are cost-effective; and
- are achieved within one year of issuance of a contract under this RFP.
- Project is in accordance with other local, state, and federal programs, and resulting emissions reductions from a specific project are not required as a mitigation measure to reduce adverse environmental impacts that are identified in an environmental document prepared in accordance with the California Environmental Quality Act or the National Environmental Policy Act.

B. Tasks

To be defined through the proposal and approved by the Executive Officer. The responsibility for developing detailed project plans that address the program criteria falls to the project proponents. Each proposal should clearly set forth objective and specific requirements that the program will meet. The proposal should also specify steps in the process or tasks with completion dates for the purposes of tracking project implementation.

C. Deliverables

To be defined through the proposal and approved by the Executive Officer. The responsibility for developing detailed project plans and deliverables that address the program criteria falls to the project proponents.

SECTION IV: REQUIRED QUALIFICATIONS

The proposer must have demonstrated experience, knowledge and/or expertise in the area of management, technical production and any other field necessary to demonstrate that the respondent is capable of carrying out the specifics of the proposal.

SECTION V: PROPOSAL SUBMITTAL REQUIREMENTS

Submitted proposals must follow the format outlined below and all requested information must be supplied. **Failure to submit proposals in the required format will result in elimination from proposal evaluation.**

Each proposal must be submitted in three parts:

- Part I must relate to the Technical Proposal and must detail the compliance with all Rule 2202 requirements
- Part II must relate to the cost proposal
- Part III must contain the Certifications and Representations included in Attachment A to this RFP which have been executed by an authorized official of the Proposer.

PART I - TECHNICAL PROPOSAL

Cover Letter - Must include the name, address, and telephone number of the contractor, and be signed by the person or persons authorized to represent the firm.

Table of Contents - Clearly identify material contained in the proposal by section and page number.

Firm Contact Information - Provide the following information on the firm:

1. Address and telephone number of office in, or nearest to, Diamond Bar, California.
2. Name and title of firm's representative designated as contact.

Summary (Section A) - State the alternative process/methodology that is proposed to be utilized to replace the emission reductions that would be otherwise achieved through implementation of Rule 2202, and the methods by which compliance with all the requirements stated in this RFP and Rule 2202 will be met. The estimated emission reductions for VOC, NOx and CO must, at a minimum, include the following information:

- Estimated emission reductions of VOC, NOx and CO clearly indicated for each pollutant in pounds per year.
- The year in which the estimated reductions will take place.
- The time period the estimated emission reductions will occur by stating the number of months or years irrespective of funding. State if the project will end when program funding is exhausted and the period of time.
- All calculations used to determine the estimated emission reductions. Any calculations that are partially completed or incorrect will be subject to disqualification.
- Cite source of calculation methodology and/or emission factors(i.e., Rule 2202, ARB EMFAC, AP42, etc.). Documentation of source may be requested during review process.
- Project Location
- Proposals are solicited for the permanent relinquishment of the ERC stream, including the total costs. Please note that the generation date of all ERCs offered must accompany the proposal.

It is the responsibility of the proposer to insure that all information submitted is accurate and complete.

Summary (Section B) - Describe the overall approach to meeting the objectives and satisfying the scope of work to be performed, the sequence of activities, and a description of methodology or techniques to be used. Include any co-sponsorship commitments to leverage available AQIP funds.

Program Schedule (Section C) - Provide projected milestones or benchmarks for submitting reports within the total time allowed.

Project Organization (Section D) - Describe the proposed management structure, program monitoring procedures, and organization of the proposed team.

Qualifications (Section E) - Describe the technical capabilities of the firm. Provide references of other similar projects performed during the last five years demonstrating ability to successfully complete the project. Include contact name, title, and telephone number for any references listed. Provide a statement of your firm's background and experience in performing similar projects for other governmental organizations.

Assigned Personnel (Section F) - Provide the following information on the staff to be assigned to this project:

1. List all key personnel assigned to the project by level and name. Provide a resume or similar statement of the qualifications of the lead person and all persons assigned to the project. Substitution of project manager or lead personnel will not be permitted without prior written approval of AQMD.
2. Provide a statement of the education and training program provided by, or required of, the staff identified for participation in the project, particularly with reference to management consulting, governmental practices and procedures, and technical matters.
3. Provide a summary of your firm's general qualifications to meet required qualifications and fulfill statement of work, including additional firm personnel and resources beyond those who may be assigned to the project.

Subcontractors (Section G) - This project may require expertise in multiple technical areas. List any subcontractors that may be used and the work to be performed by them.

Conflict of Interest (Section H) - Address possible conflicts of interest with other clients affected by actions performed by the firm on behalf of the AQMD. Although the proposer will not be automatically disqualified by reason of work performed for such firms, the AQMD reserves the right to consider the nature and extent of such work in evaluating the proposal.

Project Requirements (Section I)

1. Provide a statement indicating whether or not 75% of the work will be performed within the geographical boundaries of the South Coast Air Quality Management District. In case of marine vessels at least 75% of nautical annual miles traveled must occur within AQMD coastal water boundaries as defined in the Attachment.
2. Marine Vessel applicants can only request funding for the incremental cost of a new engine, as compared to overhauling the existing engine. Engine, engine hardware costs must be verified by bids.
3. Funded marine vessel projects must be in operation for a minimum period of 5 years.

4. GPS data for marine vessels needs to be submitted on a quarterly basis; GPS units will be installed at no cost to the operators.

Additional Data (Section J) - Provide other essential data that may assist in the evaluation of this proposal.

PART II - COST PROPOSAL

Name and Address - The Cost Proposal must list the name and complete address of the proposer in the upper, left-hand corner.

Cost Proposal - Cost information must specify the amount of funding requested and provide a general cost breakdown of expenditures that includes general administrative and implementation cost.

The cost proposal should also clearly indicate the cost-effectiveness of the project, in terms of dollar (\$) per total pounds of pollutants to be reduced according to the following formulas:

$$\text{Total Annual Emission Reduction (lbs)} = \text{VOC} + \text{NO}_x + \left(\frac{\text{CO}}{7}\right)$$

$$\text{Cost Effectiveness} = \frac{(\text{Funding Request} \times \text{Capital Recovery Factor})}{\text{Total Annual Emission Reduction}}$$

The Capital Recovery Factor is provided in the following table:

Project Life	Capital Recovery Factor
1	1.050
2	0.538
3	0.367
4	0.282
5	0.231
6	0.197
7	0.173
8	0.155
9	0.141
10	0.130

Capital Recovery Factor is calculated using the following formula:

$$\frac{(1+i)^n \times (i)}{(1+i)^n - 1}$$

where, i = discount rate (5 percent)
 n = project life in years

Total project cost must be clearly indicated at the end of the Cost Proposal.

Co-funding - List all sources of co-funding and/or additional sources of funding

Emission Credits - List any contractual arrangements and/or ownership of any credits generated that will be generated as a result of the project.

PART III - CERTIFICATIONS AND REPRESENTATIONS (see Attachment A to this RFP)

PROPOSAL SUBMISSION

All proposals must be submitted according to specifications set forth in the section above. Failure to adhere to these specifications may be cause for rejection of proposal.

Signature - All proposals should be signed by an authorized representative of the proposer.

Due Date - The proposer shall submit **eight (8) complete copies** of the proposal in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the proposer and the words "Request for Proposals 9596-23." Proposals will be accepted on a continual basis and recommended for approval to the Governing Board quarterly. The project proposals for funding are due no later than 5:00 p.m., for each closing date as listed in the section entitled "SCHEDULE OF EVENTS" or the AQIP Program Opportunity Notice, and should be directed to:

Leticia De La O, Purchasing Supervisor
South Coast Air Quality Management District
21865 East Copley Drive
Diamond Bar, CA 91765

Late bids/proposals will be considered for the next quarterly disbursement. Any correction or resubmission done by the proposer will not extend the submittal due date.

NOTE: THIS IS AN ONGOING PROGRAM WHICH IS DESIGNED TO RECEIVE PROPOSALS ON A CONTINUAL BASIS AND DISPERSE FUNDS ON A QUARTERLY BASIS. PROPOSALS THAT HAVE NOT RECEIVED FUNDING DURING PRIOR QUARTERS MAY BE RESUBMITTED FOR RECONSIDERATION IN ANY QUARTER.

Grounds for Rejection - A proposal may be immediately rejected if:

- It is not prepared in the format described, or
- It is signed by an individual not authorized to represent the firm.
- It is solely a demonstration or a marketing proposal

Disposition of Proposals - The AQMD reserves the right to reject any or all proposals. All responses become the property of the AQMD. One copy of the proposal shall be retained for AQMD files. Additional copies and materials will be returned only if requested and at the proposer's expense.

Modification or Withdrawal - Once submitted, proposals cannot be altered without the prior written consent of AQMD. All proposals shall constitute firm offers and may not be withdrawn for a period of ninety (90) days following the last day to accept proposals.

SECTION VI: PROPOSAL EVALUATION/CONTRACTOR SELECTION CRITERIA

- A. AQMD staff will evaluate all submitted proposals and make recommendations to the Governing Board for final selection of contractor(s).

- B. Each member of the evaluation panel shall be accorded equal weight in his or her rating of proposals. The evaluation panel members shall evaluate the proposals according to the specified criteria and numerical weightings set forth below:

	<u>Points</u>
a. Transportation technology improvements, transportation/transit improvements, alternative emission reduction programs, or air quality improvement measures, ability of project to generate quantifiable and verifiable emission reductions.	10
b. Ability to provide emissions reductions to meet the goals of Rule 2202. Ability to provide near-term emission credits. Points will be given on a sliding scale with the maximum points being awarded to the proposal offering emission credits in the least amount of time.	10
c. Technical Expertise of the firm; overall experience and innovative solutions and accomplishments of the proposer.	10
d. Ability of project to sustain long-term air quality improvements beyond the life of the resultant contract.	10
e. Cost effectiveness	60
Total Points	100

Additional Points

Small Business or Small Business Joint Venture	10
DVBE or DVBE Joint Venture	10
Use of DVBE or Small Business Subcontractors	7
Local Business (Non-EPA Funded Projects Only)	5
Total Additional Points	32

*** The cumulative points awarded for small business, DVBE, use of small business or DVBE subcontractors and local business shall not exceed 15 points.**

- C. To receive additional points in the evaluation process for any of the categories listed above, the proposer must submit a self-certification or certification from the State of California Office of Small Business Certification and Resources at the time of proposal submission certifying that the proposer meets the requirements set forth in Section II. To receive points for the use of DVBE and/or Small Business subcontractors, at least 25 percent of the total contract value must be subcontracted to DVBEs and/or Small Businesses.
- D. During the selection process the evaluation panel may wish to interview some proposers for clarification purposes only. No new material will be permitted at this time.
- E. The (Executive Officer or Governing Board) may award the contract to a proposer other than the proposer receiving the highest rating in the event the Executive Officer determines that another proposer from among those technically qualified would provide the best value to the AQMD considering cost and technical factors. The criteria in the RFP encourages a variety of projects. The determination shall be based solely on the Evaluation Criteria contained in the Request for Proposal (RFP), on evidence provided in the proposal and on any other evidence provided during the bid review process. Evidence provided during the bid review process is limited to clarification by the proposer of information presented in his/her proposal.
- F. Selection will be made based on the above-described criteria and rating factors. The selection will be made by the appropriate dates and is subject to Executive Officer or Governing Board approval. All proposers will be notified of the results by letter.

SECTION VII: Budget Resource Statement

Payments will be made upon surrender of the emission reduction credits resulting from project implementation or project conclusion. Up to 25% of the total funding award may be initially paid for project startup if proposer provides a detailed justification demonstrating a compelling need for startup funding.

Further payments will be made based upon the surrender of emission reduction credits. Alternative payment schedules are subject to negotiation and may require additional approvals.

Funding for this program is contingent on monies available in the Air Quality Investment fund.

SECTION VIII: DRAFT CONTRACT (Provided as example only)

Contract No. *****

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

CONTRACT

This Contract consists of *** pages.

1. PARTIES - The parties to this Contract are the South Coast Air Quality Management District (referred to here as "AQMD") whose address is 21865 E. Copley Drive, Diamond Bar, CA 91765, and *** (referred to here as "CONTRACTOR") whose address is ***.
2. RECITALS
 - A. AQMD is the local agency with primary responsibility for regulating stationary source air pollution in the South Coast Air Basin in the State of California. AQMD is authorized to enter into this Contract under California Health and Safety Code Section 40489. AQMD desires to contract with CONTRACTOR for services described in Attachment 1 - Work Statement, attached here and made a part here by this reference. CONTRACTOR warrants that it is well-qualified and has the experience to provide such services on the terms set forth here.
 - B. CONTRACTOR is authorized to do business in the State of California and attests that it is in good tax standing with the California Franchise Tax Board.
 - C. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.
 - D. CONTRACTOR agrees to obtain the required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and pay all applicable fees.
3. PERFORMANCE REQUIREMENTS
 - A. CONTRACTOR warrants that it holds all necessary and required licenses and permits to provide these services. CONTRACTOR further agrees to immediately notify AQMD in writing of any change in its licensing status.
 - B. CONTRACTOR shall submit reports to AQMD as outlined in Attachment 1 - Work Statement. All reports shall be submitted in an environmentally friendly format: recycled paper; stapled, not bound; black and white, double-sided print; and no three-ring, spiral, or plastic binders or cardstock covers. AQMD reserves the right to review, comment, and request changes to any report produced as a result of this Contract.
 - C. CONTRACTOR shall perform all tasks set forth in Attachment 1 - Work Statement, and shall not engage, during the term of this Contract, in any performance of work that is in direct or indirect conflict with duties and responsibilities set forth in Attachment 1 - Work Statement.
 - D. CONTRACTOR shall be responsible for exercising the degree of skill and care customarily required by accepted professional practices and procedures subject to AQMD'S final approval which AQMD will not unreasonably withhold. Any costs incurred due to the failure to meet the foregoing standards, or otherwise defective services which require re-performance, as directed by AQMD, shall be the responsibility of CONTRACTOR. CONTRACTOR'S failure to achieve the performance goals and objectives stated in Attachment 1- Work Statement, is not a basis for requesting re-performance unless work conducted by CONTRACTOR is deemed by AQMD to have failed the foregoing standards of performance.
 - E. CONTRACTOR shall post a performance bond in the amount of *** Dollars (\$***) from a surety authorized to issue such bonds within the State. **[OPTIONAL]**
 - F. AQMD has the right to review the terms and conditions of the performance bond and to request modifications thereto which will ensure that AQMD will be compensated in the event CONTRACTOR fails to perform and also provides AQMD with the opportunity to review the qualifications of the entity designated by the issuer of the performance bond to perform in CONTRACTOR'S absence and, if necessary, the right to reject such entity. **[OPTIONAL]**

G. CONTRACTOR shall ensure, through its contracts with any subcontractor(s), that employees and agents performing under this Contract shall abide by paragraph D above.

4. TERM - The term of this Contract is from (date of execution by both parties/or insert date) to ***, unless further extended by amendment of this Contract in writing. No work shall commence until this Contract is fully executed by all parties.
5. TERMINATION - In the event any party fails to comply with any term or condition of this Contract, or fails to provide the services in the manner agreed upon by the parties, including, but not limited to, the requirements of Attachment 1 - Work Statement, this failure shall constitute a breach of the Contract. The nonbreaching party shall either notify the breaching party that it must cure this breach or provide written notification of its intention to terminate this Contract. Notification shall be provided in the manner set forth in Clause 11. The nonbreaching party reserves all rights under law and equity to enforce this Contract and recover any damages. AQMD reserves the right to terminate this Contract for nonbreach and will reimburse CONTRACTOR for actual costs incurred in performance of this Contract through the effective date of termination for nonbreach.
6. INSURANCE [NOT REQUIRED ON STUDY CONTRACTS WITH INDIVIDUAL CONSULTANTS]
 - A. CONTRACTOR shall furnish evidence to AQMD of workers' compensation insurance for each of its employees in accordance with either California or other applicable statutory requirements prior to commencement of any work on this Contract.
 - B. CONTRACTOR shall furnish evidence to AQMD of liability insurance with a combined single limit (general and automotive) of *** Dollars (\$***) prior to commencement of any work on this Contract. AQMD shall be named as an additional insured on any such liability policy, and thirty (30)-days written notice prior to any modification of any such insurance shall be given by CONTRACTOR to AQMD and such modifications are subject to pre-approval by AQMD.
 - C. If CONTRACTOR fails to maintain the required insurance coverage set forth above, AQMD reserves the right either to purchase such additional insurance and to deduct the cost thereof from any payments owed to CONTRACTOR or terminate this Contract for breach.
7. INDEMNIFICATION - CONTRACTOR agrees to hold harmless, indemnify, and defend AQMD, its officers, employees, agents, representatives, and successors-in-interest against any and all loss, damage, cost, or expenses which AQMD, its officers, employees, agents, representatives, and successors-in-interest may incur or be required to pay by reason of any injury or property damage caused or incurred by CONTRACTOR, its employees, subcontractors, or agents in the performance of this Contract.
8. PAYMENT
 - *. AQMD shall pay CONTRACTOR a fixed price of *** Dollars (\$***) for work performed under this Contract in accordance with Attachment 2 - Payment Schedule, attached here and included here by reference. Payment shall be made by AQMD to CONTRACTOR within thirty (30) days after approval by AQMD of an invoice prepared and furnished by CONTRACTOR showing services performed and referencing tasks and deliverables as shown in Attachment 1 - Work Statement, and the amount of charge claimed. Each invoice must be prepared in duplicate, on company letterhead, and list AQMD'S Contract number, period covered by invoice, and CONTRACTOR'S social security number or Employer Identification Number and submitted to: South Coast Air Quality Management AQMD, Attn: _____. **[FIXED PRICE]**
 - *. AQMD shall pay CONTRACTOR a total not to exceed amount of*** Dollars (\$***), including any authorized travel-related expenses, for time and materials at rates in accordance with Attachment 2 - Payment Schedule, attached here and included here by this reference. Payment of such compensation shall be made by AQMD to CONTRACTOR within thirty (30) days after approval by AQMD of an itemized invoice prepared and furnished by CONTRACTOR referencing line item expenditures as listed in Attachment 2 and the amount of charge claimed. **[TIME AND MATERIALS (T&M)]**
 - *. CONTRACTOR shall adhere to total (task/cost category) expenditures as listed in Attachment 2. Reallocation of costs between (task/category) expenditures is permitted up to One Thousand Dollars (\$1,000) upon prior written approval from AQMD. Reallocation of costs in excess of One Thousand

Dollars (\$1,000) between task/category expenditures requires an amendment to this Contract. **[TIME AND MATERIALS (T&M)]**

AQMD'S payment of invoices shall be subject to the following limitations and requirements: **[TIME AND MATERIALS (T&M)]**

i) Charges for equipment, material, and supply costs, travel expenses, subcontractors, and other charges, as applicable, must be itemized by CONTRACTOR. Reimbursement for equipment, material, supplies, subcontractors, and other charges shall be made at actual cost. Supporting documentation must be provided for all individual charges (with the exception of direct labor charges provided by CONTRACTOR) in excess of Two Hundred and Fifty Dollars (\$250). AQMD'S reimbursement of travel expenses and requirements for supporting documentation are listed in Paragraph 8.D. below.

iii) CONTRACTOR'S failure to provide receipts shall be grounds for AQMD'S non-reimbursement of such charges. AQMD may reduce payments on invoices by those charges for which receipts were not provided.

iv) AQMD shall not pay interest, fees, handling charges, or cost of money on Contract.

*. AQMD shall reimburse CONTRACTOR for travel-related expenses only if such travel is expressly set forth in Attachment 2 - Payment Schedule of this Contract or pre-authorized by AQMD in writing.

i) AQMD'S reimbursement of travel-related expenses shall cover lodging, meals, other incidental expenses, and costs of transportation subject to the following limitations: **[TIME AND MATERIALS (T&M)]**

Air Transportation - Coach class rate for all flights. If coach is not available, business class rate is permissible.

Car Rental - A compact car rental. A mid-size car rental is permissible if car rental is shared by three or more individuals.

Lodging - Up to Seventy-Five Dollars (\$75) per night. A higher amount of reimbursement is permissible if pre-approved by AQMD.

Meals - Daily allowance is Thirty-One Dollars (\$31).

ii) Supporting documentation shall be provided for travel-related expenses in accordance with the following requirements:

Lodging, Airfare, Car Rentals - Bill(s) for actual expenses incurred.

Meals - Meals billed in excess of \$31 each day require receipts or other supporting documentation for the total amount of the bill and must be approved by AQMD.

Mileage - Reimbursement will be provided at the rate of Twenty-Eight Cents (\$.28) for each mile.

Other travel-related expenses - Receipts are required for all individual items in excess of Fifty Dollars (\$50).

*. An amount equal to *** percent (***%) shall be withheld from all charges paid until satisfactory completion and final acceptance of work by AQMD. **[FIXED PRICE CONTRACTS ONLY]**

*. AQMD reserves the right to disallow charges when the invoiced services are not performed satisfactorily in AQMD'S sole judgment.

9. **INTELLECTUAL PROPERTY RIGHTS** - Title and full ownership rights to any software, documents, or reports developed under this Contract shall at all times remain with AQMD. Such material is agreed to be AQMD'S proprietary information.

A. Rights of Technical Data - AQMD shall have the unlimited right to use technical data, including material designated as a trade secret, resulting from the performance of services by CONTRACTOR under this Contract. CONTRACTOR shall have the right to use data for its own benefit.

B. Copyright - CONTRACTOR agrees to grant AQMD a royalty free, nonexclusive, irrevocable license to produce, translate, publish, use, and dispose of all copyrightable material first produced or composed in the performance of this Contract.

10. **NOTICES** - Any notices from either party to the other shall be given in writing to the attention of the persons listed below, or to other such addresses or addressees as may hereafter be designated in writing for notices by either party to the other. Notice shall be given by certified, express, or registered mail, return receipt requested, and shall be effective as of the date of receipt indicated on the return receipt card.

AQMD: South Coast Air Quality Management District
21865 E. Copley Drive
Diamond Bar, CA 91765
Attn: ***

CONTRACTOR: ***

Attn: ***

11. EMPLOYEES OF CONTRACTOR

- A. AQMD reserves the right to review the resumes of any of CONTRACTOR'S employees selected to perform the work specified here and to disapprove CONTRACTOR'S choices. CONTRACTOR warrants that it will employ no subcontractor without written approval from AQMD. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation, vacation replacements, sick leave, severance pay and pay for legal holidays.
- B. CONTRACTOR, its officers, employees, agents, or representatives shall in no sense be considered employees or agents of AQMD, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by AQMD to its employees.

12. CONFIDENTIALITY - It is expressly understood and agreed that AQMD may designate in a conspicuous manner the information which CONTRACTOR obtains from AQMD as confidential and CONTRACTOR agrees to:

- A. Observe complete confidentiality with respect to such information, including without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
- B. Ensure that CONTRACTOR'S officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information and to assure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this paragraph.
- C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration, except as permitted under this Contract.
- D. Notify AQMD promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information or any part thereof by any person or entity other than those authorized by this paragraph.
- E. Take at CONTRACTOR'S expense, but at AQMD'S option and in any event under AQMD'S control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.
- F. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information.
- G. Prevent access to such by any person or entity not authorized under this Contract.
- H. Establish specific procedures in order to fulfill the obligations of this paragraph.

13. PUBLICATION

- A. AQMD shall have the right of prior written approval of any document which shall be disseminated to the public by CONTRACTOR in which CONTRACTOR utilized information obtained from AQMD in connection with performance under this Contract.
- B. Information, data, documents, or reports developed by CONTRACTOR for AQMD, pursuant to this Contract, shall be part of AQMD'S public record unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information provided to AQMD. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract.

"This report was prepared as a result of work sponsored, paid for, in whole or in part, by the South Coast Air Quality Management District (AQMD). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of AQMD. AQMD, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report. AQMD has not approved or disapproved this report, nor has AQMD passed upon the accuracy or adequacy of the information contained herein."

C. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and require compliance with the above.

14. NON-DISCRIMINATION - In the performance of this Contract, CONTRACTOR shall not discriminate in recruiting, hiring, promotion, demotion, or termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, or physical or mental disability and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, Executive Order No. 11246 (30 Federal Register 12319), and all administrative rules and regulations issued pursuant to said Acts and Order. CONTRACTOR shall likewise require each subcontractor to comply with this paragraph and shall include in each such subcontract language similar to this paragraph.
15. SOLICITATION OF EMPLOYEES - CONTRACTOR expressly agrees that CONTRACTOR shall not, during the term of this Contract, nor for a period of six months after termination, solicit for employment, whether as an employee or independent contractor, any person who is or has been employed by AQMD during the term of this Contract without the consent of AQMD.
16. PROPERTY AND SECURITY - Without limiting CONTRACTOR'S obligations with regard to security, CONTRACTOR shall comply with all the rules and regulations established by AQMD for access to and activity in and around AQMD'S premises.
17. ASSIGNMENT - The rights granted hereby may not be assigned, sold, licensed, or otherwise transferred by either party without the prior written consent of the other, and any attempt by either party to do so shall be void upon inception.
18. NON-EFFECT OF WAIVER - The failure of CONTRACTOR or AQMD to insist upon the performance of any or all of the terms, covenants, or conditions of this Contract, or failure to exercise any rights or remedies hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions, or of the future exercise of such rights or remedies, unless otherwise provided for herein.
19. ATTORNEYS' FEES - In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys' fees and costs.
20. FORCE MAJEURE - Neither AQMD nor CONTRACTOR shall be liable or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the reasonable control of AQMD or CONTRACTOR.
21. SEVERABILITY - In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Contract, and the Contract shall then be construed as if such unenforceable provisions are not a part hereof.
22. HEADINGS - Headings on the paragraphs of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.

23. DUPLICATE EXECUTION - This Contract is executed in duplicate. Each signed copy shall have the force and effect of an original.
24. GOVERNING LAW - This Contract shall be construed and interpreted and the legal relations created thereby shall be determined in accordance with the laws of the State of California. Venue for resolution of any disputes under this Contract shall be Los Angeles County, California.
25. CITIZENSHIP AND ALIEN STATUS
- A. CONTRACTOR warrants that it fully complies with all laws regarding the employment of aliens and others, and that its employees performing services hereunder meet the citizenship or alien status requirements contained in federal and state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603). CONTRACTOR shall obtain from all covered employees performing services hereunder all verification and other documentation of employees' eligibility status required by federal statutes and regulations as they currently exist and as they may be hereafter amended. CONTRACTOR shall have a continuing obligation to verify and document the continuing employment authorization and authorized alien status of employees performing services under this Contract to insure continued compliance with all federal statutes and regulations.
 - B. Notwithstanding paragraph 25A above, CONTRACTOR, in the performance of this Contract, shall not discriminate against any person in violation of 8 USC Section 1324b.
 - C. CONTRACTOR shall retain such documentation for all covered employees for the period described by law. CONTRACTOR shall indemnify, defend, and hold harmless AQMD, its officers and employees from employer sanctions and other liability which may be assessed against CONTRACTOR or AQMD, or both in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment persons performing `services under this Contract.
26. REQUIREMENT FOR FILING STATEMENT OF ECONOMIC INTERESTS [OPTIONAL] - In accordance with the Political Reform Act of 1974 (Government Code Section 81000 et.seq.) and regulations issued by the Fair Political Practices Commission (FPPC), AQMD has determined that the nature of the work to be performed under this Contract requires CONTRACTOR to submit a Form 730, Statement of Economic Interests for Designated Officials and Employees, for each of its employees assigned to work on this Contract. These forms may be obtained from the AQMD'S Contracts Unit.
27. COMPLIANCE WITH SINGLE AUDIT ACT REQUIREMENTS - [OPTIONAL - TO BE INCLUDED IN CONTRACTS WITH FEDERAL PASS-THROUGH FUNDING] - Beginning with Contractor's current fiscal year and continuing through the term of this Contract, CONTRACTOR shall arrange to have its financial statements audited by a firm of independent accountants in accordance with Generally Accepted Government Audit Standards (GAGAS). Within thirty (30) days of issuance, CONTRACTOR shall forward to AQMD its audited financial statements along with a report on internal control and a report on compliance issued by its independent auditors for each fiscal year covered by the term of this Contract. If CONTRACTOR is a federal contractor, CONTRACTOR shall request its cognizant government audit agency to perform audit work required by OMB Circular A-133 beyond the requirements of GAGAS for each fiscal year covered by the term of this Contract. In the event that the cognizant government audit agency does not perform the requested audit work, CONTRACTOR shall take appropriate alternative action to comply with the Circular.
28. OPTION TO EXTEND THE TERM OF THE CONTRACT - [OPTIONAL] - AQMD reserves the right to extend the contract for a one-year period commencing ***** (enter date) at the (option price or Not-to-Exceed Amount) set forth in Attachment 2. In the event that AQMD elects to extend the contract, a written notice of its intent to extend the contract shall be provided to CONTRACTOR no later than thirty (30) days prior to Contract expiration.

29. ENTIRE CONTRACT - This Contract represents the entire agreement between the parties hereto related to CONTRACTOR providing services to AQMD and there are no understandings, representations, or warranties of any kind except as expressly set forth herein. No waiver, alteration, or modification of any of the provisions herein shall be binding on any party unless in writing and signed by the party against whom enforcement of such waiver, alteration, or modification is sought.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

By: _____
Barry R. Wallerstein, D.Env.
Executive Officer

By: _____
William A. Burke, Ed.D.,
Chairman of the Board

Date: _____

By: _____

Date: _____

ATTEST:
Jackie Dix, Clerk of the Board

By: _____

APPROVED AS TO FORM:
General Counsel

By: _____